



Maine and New Hampshire Area Contingency Plan

FINANCE/ADMINISTRATION

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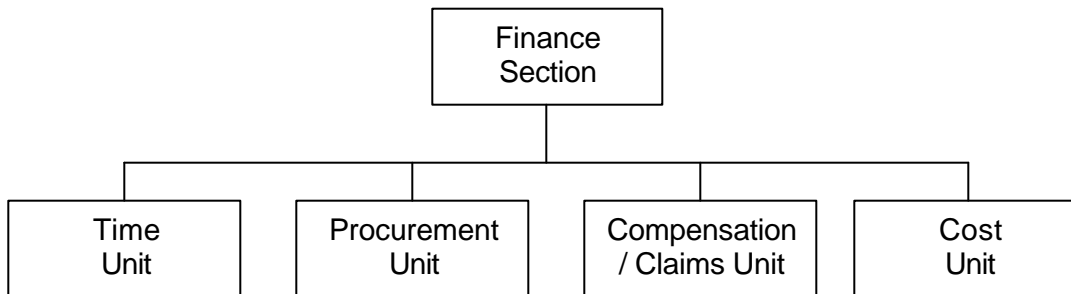
6000 Finance/Administration

6100 Finance/Administrative Section Organization

The following is an organizational chart of the Finance/Administrative Section and its subordinate units. It serves as an example and is not meant to be all-inclusive. The functions of the Finance/Administrative Section must be accomplished during an incident, however, they can be expanded, as needed, into additional organizational units with appropriate delegation of authority.

Additional information regarding this section can be found in the Oil Spill Field Operations Guide (FOG) ICS-OS-420-1 dated June 1996.

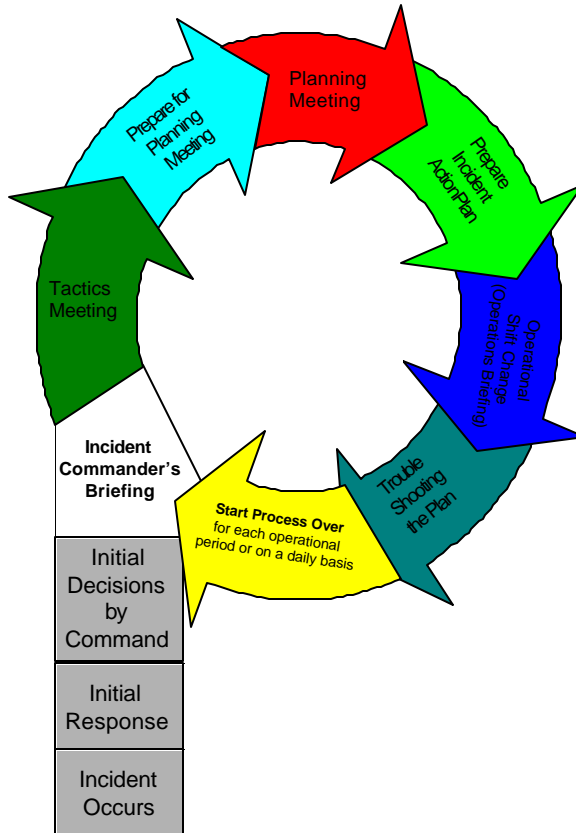
Figure 5000-1
Finance Section Organization





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6110 Finance/Administrative Section Planning Cycle



6120 Roles and Responsibilities

The Finance Section is responsible for documentation of all incident costs, and providing guidance to the Incident Command on financial issues that may have an impact on incident operations.

The Finance Section Chief is responsible for all financial and cost analysis aspects of the incident.

- Implement and manage the Finance Section Units needed to proactively accomplish Finance Section actions.
- Provide, manage, coordinate, document, and account for access to response funding sources, including the Oil Spill Liability Trust Fund (OSLTF), Natural Resource Damage Assessment fund (NRDA), state of Maine and New Hampshire funding sources, and other sources or response funding.
- Coordinate and ensure the proper completion of response cost accounting documentation.
- Coordinate and manage response ceiling, budgets and cost estimates.
- Provide financial support for contracting services, purchases and payments.



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- Serve as the primary contact to the National Pollution Funds Center (NPFC) and the NPFC case officer to coordinate response cost recovery actions.
- Identify additional financial services resources or logistics support needed.

6200 FOSC Access to Funds

When responding to an oil pollution incident, and when deemed appropriate, the OSC assigns a Federal Project Number (FPN) and assigns a dollar ceiling. As removal activities proceed, if it appears costs will exceed the original ceiling the OSC requests an increase to the ceiling.

The costs of all purchases, contracts, services, and authorizations of activity are applied against the ceiling. Each contractor or government agency is responsible for keeping track of their costs during the removal and for staying inside the limits given them by the OSC, or requesting more if needed.

OSCs do not document or report costs for the assessment phase, except for "out of pocket" costs. "Assessment phase" is defined as the phase between notification of a discharge or substantial threat of a discharge, by whatever means, and the determination by the OSC that further action or presence is required. Even where "out of pocket" assessment phase costs are documented and reported, it is to support charges to the OSLTF, and not for cost recovery from the Responsible Party.

6210 Contracting

A BOA contractor must be selected over one with no BOA. BOA contractors are initially hired by verbal order followed by a written contract (Optional Form 347) for each incident, which will include the specific number of personnel and equipment needed, estimated cost, and the FPN. The OSC-authorized ceiling for a BOA contractor is set at \$25,000 per incident, per BOA contractor selected (two or more BOA contractors can be hired to perform different tasks on one incident at a maximum of \$25,000 each). Contractor services which will exceed the OSC's limit must be approved by the Contracting Officer.

Unless the BOA contractor cannot provide a timely and adequate response, selection of a non-BOA contractor by an OSC is not authorized. The Contracting Officer is generally the only person authorized to hire a non-BOA contractor. If the Contracting Officer cannot be reached in a timely manner, the OSC is authorized to issue non-BOA purchase orders, on an emergency basis only, with a limit not to exceed \$25,000 per incident. The OSC must contact the Contracting Officer within 24 hours after exercising this emergency authority. If the OSC determines that another agency (federal, state, local, or Indian tribe) can assist in a removal effort, the OSC may authorize that agency to perform removal actions, by executing a Pollution Removal Funding Authorization which specifies who is authorized to do what, when, and at what cost.

6220 Oil Spill Liability Trust Fund (OSLTF)



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The Coast Guard administers the OSTLF, also known as the Revolving Fund, established by Section 311(k) of the FWPCA. Title 33 CFR 153 outlines the uses of the Fund. The Coast Guard Marine Safety Manual, Commandant Instruction M16000.11, Section 7.B.7 addresses additional topics with regard to the fund.

6230 Comprehensive Environmental Response, Compensation, & Liability Act, 1980

A Memorandum of Understanding between the USCG and the EPA allows the USCG to access the Hazardous Substance Response Trust Fund when the USCG undertakes response activities pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), Executive Order 12316, and the provisions of Subpart E of the NCP. When EPA provides the OSC, the EPA Regional Administrator has authority to approve Trust Fund expenditures not to exceed \$2,000,000. Expenditures exceeding \$2,000,000 must be approved by EPA Headquarters. When the USCG provides the OSC, the USCG OSC has authority to approve Trust Fund expenditures not to exceed \$50,000. USCG OSCs can receive approval for CERCLA Trust Fund expenditures up to \$250,000 through the Commander, Thirteenth Coast Guard District. For additional expenditures, approval from the EPA Emergency Response Division is necessary. To access the fund, an account number must be obtained from EPA Headquarters.

Other Federal agencies have authority to expend Trust Fund money in accordance with Interagency Agreements (IAG) and Memoranda of Understanding (MOU) with EPA. Reimbursement of agency expenditures will be in accordance with the procedures specified in these IAGs and MOUS.

The Trust Funds may be used to undertake immediate removal actions when the agency providing the-OSC determines that such action will prevent or mitigate immediate and significant risk of harm to human life or health or to the environment from such situations as:

- Human, animal, or food chain exposure to acutely toxic substances.
- Contamination of a drinking water supply.
- Fire and/or explosion.
- Similar acute situations.

6240 Other Access to Funds

6241 State Access to the Fund - Direct and Indirect

OPA '90 authorizes the President, upon request of the governor of a state, to obligate the OSTLF for payments not to exceed \$250,000 per incident, for removal costs consistent with the National Contingency Plan, required for the immediate removal of a discharge, or the mitigation or prevention of a substantial threat of a discharge, of oil. The responsibility for implementing this section of the Act has been delegated to the NPFC. The NPFC has published "Technical Operating Procedures for State Access under Section 1012(d)(1) of OPA 90", and promulgated regulations at 33 CFR Part 133 entitled, "State Access to the Oil Spill Liability Trust Fund for Removal Costs Under the Oil Pollution Act of 1990



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There are three methods available to states and/or political subdivisions thereof for payment of removal costs:

- Direct State Access to the OSLTF;
- Execute a Pollution Funding Authorization Agreement with the federal OSC; or
- File a claim after the fact with either the Responsible Party or the NPFC.

Requests to directly access the Fund must be made by Governors or their designated representatives to the OSC. The OSC reviews the request for eligibility under the Act and applicable regulations, then approves or denies the governor's request. The regulations provide minimum standards to guide the OSC in making eligibility decisions. States are required to coordinate their removal actions with the OSC and retain records of expenditures. The provisions of the Federal Grant and Cooperative Agreement Act and the regulations of the U.S. Department of Transportation regarding Federal assistance programs apply to payments from the Fund, and are described in the TOPS.

In the alternative, States may execute a Pollution Funding Authorization Agreement with the OSC, which effectively acts as a contract between the State and the OSC. In this Agreement, both parties agree certain types of removal activities are authorized, costs associated with each are spelled out. Lastly, States may pay for their activities themselves, then file a claim for reimbursement with either the OSC or the Responsible Party, as appropriate.

6300 Cost Unit

Cost Unit is responsible for providing for cost reporting of labor, materials, and supplies used during the incident. The Cost Unit will:

- Manage, coordinate and perform cost documentation in accordance with OSLTF and state requirements to account for response costs.
- Identify additional resources and logistics support needed to perform cost documentation and time keeping services.

6310 Resource Tracking & Cost Accounting Flowchart

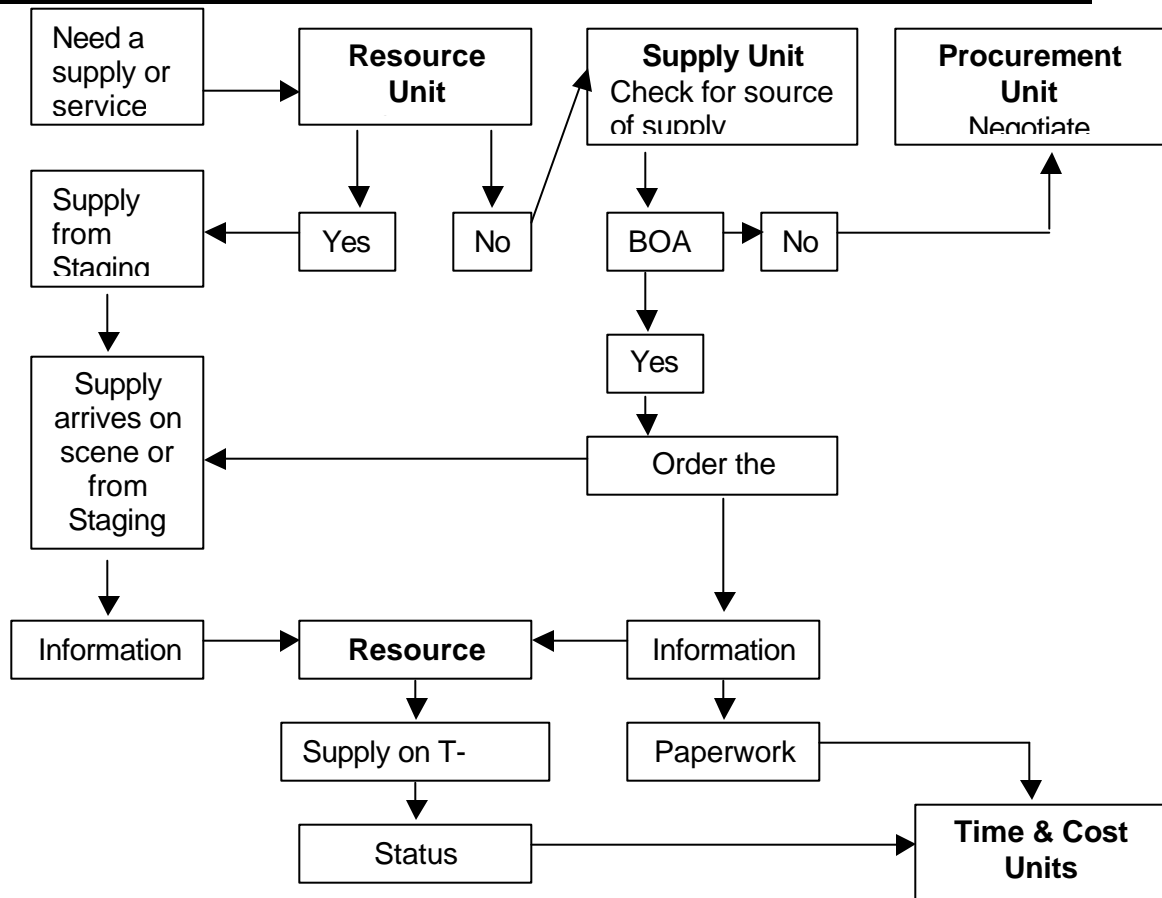
Figure 6000-3

IS	OPERATIONS	PLANNING	LOGISTICS	FINANCE



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6320 Cost Documentation Procedures

Responsible parties are liable for damage claims and removal costs resulting from discharges or substantial threats of discharges of oil into or upon the navigable waters of the U.S. For cases where the responsible party is either unknown, or is unable or unwilling to meet this obligation, the Oil Spill Liability Trust Fund (OSLTF) will pay for removal costs and claims. The OSLTF is administered by the Coast Guard's National Pollution Funds Center (NPFC) in Arlington, VA, whose concurrent missions are to provide OSCs with the financial resources to ensure timely and effective response, to ensure legitimate damage claims are liquidated expeditiously, and to ensure proper documentation of expenditures to facilitate cost recovery from responsible parties.

Government expenses must be properly documented in order to recover costs. This will serve to provide the responsible party with an accurate accounting and, in the event litigation is necessary, to provide concise, accurate, and admissible evidence. The NPFC's "Technical Operating Procedures for Resource Documentation" (TOPS) manual was written to assist OSCs, and contains all required forms and reports. This Appendix will summarize the most important spill funding issues; readers are referred to TOPS for details.



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6321 Documentation

Properly completed resource documentation facilitates timely reimbursement to government agencies and contractors involved in a removal, and should be completed as soon after the time of an activity as possible, preferably daily. When completed, resource documentation must provide a complete audit trail so that compliance with applicable regulations and procedures can be verified.

Complying with documentation requirements can become complex, but two methods have been identified by the NPFC to help ease the burden: the Pollution Incident Daily Resource Reporting System (PIDRRS); and an NPFC approved alternate record keeping system.

- PIDRRS is a series of forms, instructions, and submission schedules, described in detail in the TOPS. It is based on the use of Standard Rates, which are published dollar rates for particular personnel resources, services, or products.
 - ⇒ Contractors use rates as prescribed in their BOA or as agreed to with the Contracting Officer;
 - ⇒ Coast Guard Units use standard rates found in Commandant Instruction 7310.0 (series);
 - ⇒ Other Government agencies may have a publication listing their standard rates, and if so should provide this to the OSC. If not that agency should execute a Pollution Funding Authorization Agreement with the OSC.
- An NPFC-approved alternate system for government agencies must be an existing system for documenting activities and costs, and must be approved by the NPFC in advance.

6322 Response Levels

A three-level system has been developed to help determine the complexity of a case and its required resource documentation. The OSC will determine which level best applies to an incident. The following criteria are designed to assist the OSC in making this determination:

- Level I - Routine
 - ⇒ Total government costs will not exceed \$50,000;
 - ⇒ Removal activities will probably be completed within one to two weeks
 - ⇒ Removal activities are localized.
- Level II - Moderately Complex
 - ⇒ Total costs are between \$50,000 and \$200,000;
 - ⇒ Removal activities occur at several locations;
 - ⇒ Several external resources such as a strike team, a state agency or other government units are involved; and
 - ⇒ Removal activities will take longer than two weeks to complete.
- Level III - Significantly Complex
 - ⇒ Total costs exceed \$200,000;
 - ⇒ Removal activities involve numerous contractors;
 - ⇒ Removal activities occur at several locations; and



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⇒ As in Level II, there are several external resources involved.

The OSC is responsible only to verify that the work or services were in fact authorized and received, and not necessarily to verify every line item. Although this does not relieve the OSC of the responsibility for ensuring that ceiling limits are not exceeded, it does help ease the burden of auditing each cost.

In each level, the contractors and other government agencies are responsible for submitting their invoices on a timely basis. Other government agencies should submit an SF-1080 and the contractors use their normal invoicing procedures as prescribed in their BOA. The OSC will review resource documentation submitted, compare the daily resource documentation against the SF-1080's and invoices, and certify the receipt of services as reflected on the documentation.

6323 Claims

Persons and government agencies which incur damages as a result of discharges or substantial threats of discharges of oil are entitled to compensation, and OPA '90 provides for a mechanism to expedite this process. The Responsible Party is primarily liable for satisfying legitimate claims expeditiously. If the Responsible Party is either unknown, or is unable or unwilling to meet this obligation, or the claim is denied or remains unpaid for 90 days the NPFC will pay the claim from the OSLTF. This applies to both uncompensated removal costs and uncompensated damages resulting from the discharge. Section 1002 of OPA 90 describes damages as including natural resources, real or personal property, subsistence use, revenues, profits and earning capacity, and public services. The responsible party, as designated by the OSC, is required to advertise, in a manner directed by the NPFC, the name, address, telephone number, office hours, and work days of the person(s) to whom claims are to be presented and from whom claim information can be obtained.

If the responsible party denies responsibility, proves unwilling or unable to deal with claims, or refuses to advertise, the NPFC will assume the role of responsible party for the purpose of receiving and paying claims. As such, the NPFC will advertise as described above, listing either their offices in Arlington, VA, or a locally established claims office, as deemed appropriate by the OSC and NPFC for the case.

6324 Cost Documentation Forms and Instructions

Documentation for enforcement and cost recovery is an essential part of any pollution investigation and response. The pollution investigator must establish that all elements of the pollution violation are present and are well documented. The elements of a violation are:

- a. There was a discharge
- b. of oil
- c. upon the Navigable Waters of the U.S., the adjoining shorelines or into or upon the waters of the Contiguous Zone; or in connection with activities under the Outer Continental Shelf Lands Act or the Deepwater Port Act of 1974; or which may affect natural resources belonging to, pertaining to, or under the exclusive management authority of the United States;



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- d. in a harmful quantity (sheen / discoloration);
by the facility or vessel suspected.

6400 Time Unit

The Time Unit is responsible for providing for time reporting of labor, materials and supplies used during the incident.

In addition, the time unit plans, coordinates, documents and accounts for response costs based on the time personnel, equipment and other resources are accountable to the response.

6500 Compensation & Claims Unit

The Compensation Unit is responsible for initiating investigations and documentation on all claims other than personal injury and arranges for damage surveyors and adjusters. The compensation unit will:

- Receive, coordinate, document and process claims against the OSLTF, NRDA or state funding sources.
- Coordinate evaluation of personal property damage claims.
- Identify additional resources and logistics support needed to process claims.

6600 Procurement Unit

Procurement Unit is responsible for administering and establishing, as necessary, vendor contracts for operational support-related supplies, services and technical consultants. The following are procurement unit responsibilities:

- Manage, coordinate, document and account for all procurement orders needed to support response operations.
- Manage, coordinate, document and account for all payments made to support response operations.
- Negotiate, coordinate, document and manage all contracts needed to support response operations.
- Identify additional resources and logistics support needed to accomplish contracting and procurement services.

6700 Reserved

6800 Reserved

6900 Reserved for Area/District